



**Diebold Election Systems, Inc.**  
1611 Wilmeth Road  
McKinney, TX 75069  
972 542-6000  
fax 972 542-6044  
[www.dieboldes.com](http://www.dieboldes.com)

December 19, 2003

The Honorable Kevin Shelley  
California Secretary of State  
1500 11th Street  
Sacramento, California 95814

Dear Secretary Shelley:

Today is a new day at Diebold Election Systems, Inc., (DESI). Strong action is being taken immediately to reassure you, the voters of California and the rest of the nation that the sanctity of the election process is secure.

We recognize the sincerity and importance of your words before the Voting Systems and Procedures Panel on Tuesday, December 16, 2003. We too, appreciate the need to clarify and enhance current election procedures and mechanisms to ensure the privacy, security, accuracy and integrity of the voting process. We also recognize that this is not a function solely of the Secretary of State's office but is the responsibility of all of us engaged in the election process. We take that responsibility very seriously.

I will personally make certain that from this day forward, any action taken by Diebold Election Systems will reflect the highest standard of excellence.

We took note of the action items discussed during the meeting and pledge to you and the citizens of California to address each one of these items, as well as take immediate steps, within our company, to improve our compliance and certification procedures.

We will:

- Install GEMS version 1.18.18 at our cost in all the California counties in which we do business. We received approval from your office on Wednesday, and we are proceeding to work with the counties in preparation for the March 2004 primaries;
- Continue to provide any and all documents your office deems necessary to complete a full and thorough audit of our election systems;
- Work with your office to participate in a bi-annual audit of our systems;

- Participate fully in random audits, as your office deems necessary;
- Work with your office to establish accounting procedures and processes for future software/hardware updates;
- Submit all future software updates directly to your office for installation in all counties in which we do business across the state;
- Work with your office to develop an enhanced poll worker training program;
- Lend assistance, as you deem helpful, in establishing a state technical oversight committee;
- Contribute to a statewide voter system security fund; and
- Continue to work with your office to make certain that expectations of us by you and the voters of California are met.

In addition to the items detailed above, I would also like to inform you of additional measures my company will immediately implement. I have attached a copy of the press release that was issued yesterday.

It is our firm intent to openly work with your office as we meet these obligations, and ultimately, to assure you and your staff that we will rigorously comply with the policies and procedures you set forth to ensure the accuracy, reliability and integrity of voting technology throughout the State of California.

Sincerely,



Robert J. Urosevich  
President

cc: Mark Kyle, Chair, Voting Systems Panel  
Marc Carrel, Assistant Secretary of State  
John Mott-Smith, Chief, Elections

**Media contacts:**

David Bear  
Diebold Election Systems, Inc.  
+1 317 997-9300  
[dbear@pstrategies.com](mailto:dbear@pstrategies.com)

**Investor contact:**

John Kristoff  
Diebold, Incorporated  
+1 330 490 5900  
[kristoj@diebold.com](mailto:kristoj@diebold.com)

**FOR IMMEDIATE RELEASE:**

December 18, 2003

**DIEBOLD ELECTION SYSTEMS ANNOUNCES RESTRUCTURING OF COMPLIANCE AND CERTIFICATION PROCESSES**

*Compliance and certification officer position to be created*

McKINNEY, Texas -- Diebold Election Systems, Inc. (DESI), is announcing a complete restructuring of the way the company handles qualification and certification processes for its software, hardware and firmware. This restructuring includes the creation of an executive-level position dedicated to meeting compliance and certification requirements. "We are committed to improving the effectiveness and efficiency of the procedures we employ to address certification issues, and to communicate with the respective governing and certification authorities and our customers," said Bob Urosevich, president of Diebold Election Systems.

Voting systems have evolved rapidly over the last few years to keep pace with new laws and regulations and to offer greater accessibility to voters. Notification and certification processes are often inconsistent between jurisdictions --- particularly as those requirements relate to upgrades to qualified and certified systems requested by customers.

"Our responsibility is to work diligently with our customers' governing bodies and the testing authorities to clarify existing processes and to eliminate any confusion that may exist --- and then to fully comply with those requirements," said Urosevich. "Our mandate is full compliance. I am confident the improvements we are implementing will enable us to meet this mandate."

The following actions will be taken immediately to improve compliance:

**Creating Compliance and Certification Officer Position**

DESI is reorganizing how it administers qualification and certification processes internally. A new department, headed by a Compliance and Certification Officer, will have oversight for all compliance and certification responsibilities. In the past, these responsibilities were managed on a regional basis because of the geographical diversity of our customer base.

(more)

## **PAGE TWO / DIEBOLD ELECTION SYSTEMS ANNOUNCES RESTRUCTURING OF COMPLIANCE AND CERTIFICATION PROCESSES**

### Immediate Compliance Review of all Software, Firmware and Hardware

DESI has instituted a thorough internal compliance review of all hardware, firmware and software across its customer network covering more than 30 states. The Compliance and Certification Officer has direct oversight responsibility for the review.

### Formalize Compliance and Certification Process

All issues concerning qualification and certification compliance will be administered by the Compliance and Certification office. DESI has implemented stringent internal controls and procedures that formalize the compliance processes it employs with the respective governing and certification authorities and its customers. This will include specific procedures to manage requests for upgrades from customers.

### Clarifying Notification and Certification Requirements with Customers and States

DESI is drafting new provisions for all current and future contracts that will specifically delineate duties and responsibilities related to notification, qualification and certification requirements for upgrades, product changes, etc. These provisions will apply to all upgrades whether required by state law or regulation, or requested by one of its customers.

“Our intent in making these organizational changes is to ensure the public’s confidence that all of our hardware, software and firmware products are fully certified and qualified by all of the appropriate federal, state and local authorities prior to use in any election,” said Urosevich. “Helping ensure the right for all to vote reliably, privately and accurately, including the sight disabled, is of paramount importance to us. Electronic voting makes that possible, and we will continue to improve our processes and technology as we move forward.”

Diebold Election Systems, Inc. is a wholly owned operating subsidiary of Diebold, Incorporated, a global leader in providing integrated self-service delivery systems and services. Headquartered in McKinney, Texas, Diebold Election Systems provides high-quality voting technology to jurisdictions of all sizes, along with comprehensive service and support capability, and is committed to elections accuracy, security and integrity. For more information on Diebold Election Systems, visit the company’s Web site at [www.dieboldes.com](http://www.dieboldes.com), or call 1-800-433-VOTE.

###